

# Wrap Fee Brochure

Appendix 1 of Form ADV Part 2A

Adaptation Financial Advisors Inc.

700 Cedar Lake Blvd.

Oklahoma City, OK 73114

405-478-7700

[www.adaptadvisors.com](http://www.adaptadvisors.com)

March 23, 2022

This Wrap Fee Brochure (“Wrap Fee Brochure”) provides information about the qualifications and business practices of Adaptation Financial Advisors Inc. [Adaptation Financial, us, we or our]. If you have any questions about the contents of this Wrap Fee Brochure, please contact us at 405-478-7700. The information in this Wrap Fee Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Adaptation Financial is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Adaptation Financial, including the information contained in this Wrap Fee Brochure, should provide you with information to determine whether to hire or retain Adaptation Financial as your adviser. Additional information about Adaptation Financial also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with, registered, and required to be registered, as investment adviser representatives of Adaptation Financial.

---

## **Item 2 – Material Changes**

This Wrap Fee Brochure reflects the current wrap fee advisory services of Adaptation Financial as of the date set forth on the cover, and is posted on the SEC’s public disclosure website (“IAPD”) at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

This Wrap Fee Brochure reflects the current advisory activities of Adaptation Financial as of the date set forth on the cover and is posted on the SEC’s public disclosure website (“IAPD”) at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Please note that there were no “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website; however, this Brochure does include a number of minor editorial changes, updated DOL Disclosures, and updated information on our assets under management. Our Wrap Fee Brochure may be requested by contacting Alan Niemann, CEO at 405-478-7700. Our Wrap Fee Brochure is also available on our web site [www.adaptadvisors.com](http://www.adaptadvisors.com), free of charge.

---

## Item 3 -Table of Contents

<b>Item 1 – Cover Page.....</b>	<b>i</b>
<b>Item 2 – Material Changes .....</b>	<b>ii</b>
<b>Item 3 -Table of Contents.....</b>	<b>iii</b>
<b>Item 4 – Services, Fees and Compensation.....</b>	<b>1</b>
Overview .....	1
Ownership .....	1
Wrap Fee Program Services.....	1
Investment Products .....	2
Assets Under Management .....	2
Wrap Fees and Compensation.....	2
Transaction Fees and Expenses .....	3
Important Information Regarding Fees.....	4
Conflict of Interest Disclosure .....	4
Termination.....	5
Special Situations .....	5
Custody .....	5
Retirement Accounts – DOL Disclosure.....	6
<b>Item 5 – Account Requirements and Types of Clients .....</b>	<b>6</b>
<b>Item 6 – Portfolio Manager Selection and Evaluation .....</b>	<b>7</b>
Portfolio Manager Selection .....	7
Overview.....	7
Related Persons Acting as Portfolio Manager .....	7
Analysis Methods .....	7
Sources of Information .....	8
Investment Strategies.....	9
Investment Strategy Risks.....	9
Voting Client Securities .....	11
<b>Item 7 – Client Information Provided to Portfolio Managers .....</b>	<b>11</b>
<b>Item 8 – Client Contact with Portfolio Managers.....</b>	<b>11</b>
<b>Item 9 – Additional Information .....</b>	<b>11</b>
Disciplinary .....	11
Other Financial Industry Activities and Affiliations.....	11
Insurance Agent .....	11
MDK Financial Group, Inc. ....	12

---

Code of Ethics .....	12
Personal Trading .....	13
Review of Accounts .....	13
Reports .....	13
Client Referrals and Other Compensation .....	13
Discretion .....	14
Financial Information .....	14
<b>Item 10– Requirements for State-Registered Advisers .....</b>	<b>14</b>

---

## **Item 4 – Services, Fees and Compensation**

### ***Overview***

Adaptation Financial Advisors Inc. (also referred to as “Adaptation Financial”, “we”, “our”, “us” or the “firm”) is an investment adviser, registered with the SEC and either registered and or notice filed in the respective state jurisdictions in which it provides advisory services. Its principal place of business located in Oklahoma City, OK. Adaptation Financial provides individualized investment management, financial planning, and consulting services to its clients. Additional information about the investment management and financial planning services offered by Adaptation Financial is available in the firm's Form ADV Part 2A Brochure, which can be requested by contacting the firm, or is publicly available on the SEC website at [www.sec.gov](http://www.sec.gov).

### ***Ownership***

Adaptation Financial a subsidiary of APN Adaptation Financial Holdings LLC, an Oklahoma limited liability company (“APN Adaptation Financial Holdings”). APN Adaptation Financial Holdings is the majority shareholder of Adaptation Financial. The Alan P. Niemann Trust is the sole member of APN Adaptation Financial Holdings, and Alan P. Niemann is the Trustee for the Trust. Adaptation Financial was organized in February 2020, and is an investment adviser registered with the SEC.

### ***Wrap Fee Program Services***

Wrap Fee Program clients of Adaptation Financial will receive portfolio management, custodial, reporting, and clearing services for one all-inclusive fee. The services include assisting clients in assessing their current financial situation, financial goals, and attitudes towards risk, and recommending an appropriate asset allocation. Once an asset allocation is approved by a client, the individual portfolios will be managed by the firm on a discretionary basis, where clients give the firm discretion to make all investment related decisions. Portfolios will be invested in a variety of investment classes, including stocks, bonds, mutual funds, and exchange traded funds, among others. Ultimately, the firm not only makes recommendations related to investments, but also implements these recommendations and provides ongoing monitoring and reporting.

Adaptation Financials investment decisions are made in accordance with the fiduciary duties owed to its clients, without consideration of Adaptation Financials economic, investment or other financial interests. To meet its fiduciary obligations, Adaptation Financial attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, Adaptation Financials policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Adaptation Financials policy to allocate investment opportunities and

---

transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis.

### ***Investment Products***

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company, and will generally include advice regarding equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities and ETFs, including ETFs in the gold and precious metal sectors. Insurance products may also be recommended when we deem such investment to be appropriate. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Investing in securities involves risk of loss that clients should be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments are subject to various risks including, but not limited to, market liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of investments is not indicative of future performance.

### ***Assets Under Management***

As of December 31, 2021, Adaptation Financial has \$142,804,320 in assets under management on a discretionary basis.

### ***Wrap Fees and Compensation***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$500,000 to \$1,500,000	1.00%
\$1,500,001 to \$3,499,999	.85%
\$3,500,000 and above	.60%

The table above is a not stair-step arrangement. This fee schedule applies to all types of accounts. For example, if a household has three accounts, regardless of type or registration, totaling \$2,000,000, the fee percentage on the accounts would be 0.85%. If the household had four

---

accounts, regardless of type or registration, totaling \$3,600,000, the fee percentage on the accounts would be 0.60%.

Upon receiving Client's written authorization, fees will be automatically deducted from the Client's account. Clients are provided a statement, at the very least on a quarterly frequency from the custodian, reflecting the deduction of the advisory fee. In certain cases, and with client consent, fees will be deducted from an associated account rather than the account for which the fees are being charged.

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. Family members or friends may receive a reduced fee or no fee.

We move client assets into cash when we think it is a wise allocation to protect you against loss of your investment. It is also possible that cash in your account will not earn any return. We do not charge advisory fees on the balance of money market fund securities or other cash equivalents held within your portfolio. As you invest more assets in the program, the amount of fees we collect will increase; therefore, there could be incentive to encourage you to increase your assets.

The specific manner in which fees are charged by Adaptation Financial is established in the client's written agreement. Adaptation Financial will bill its Wrap Fee Program fees on a quarterly basis, in advance, based upon the market value of the household assets, on the last day of the previous quarter, as valued by the Custodian. Management fees are not prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The term of engagement will be ongoing, as set forth in the Advisory Agreement. For ongoing agreements, clients will be responsible for ensuring that the Adaptation Financial has been timely informed of changes in investment objectives and risk tolerance.

Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf. Clients will retain individual ownership of all securities. All fees are subject to negotiation, as stated above when discussing the basis of the negotiability of fees.

### ***Transaction Fees and Expenses***

The advisory wrap fee is exclusive of brokerage commissions, transaction fees, custodial fees and other related costs and expenses that are customary and usual and generally incurred by clients in non-wrap advisory relationships. However, clients may incur certain charges for any margin, option, wire transfer and electronic fund fees, and other fees and taxes on brokerage

---

accounts and securities transactions, or legal fees in their custodial account as set forth in the custodial agreement.

Additionally, all advisory wrap fees paid to Adaptation Financial for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a client may pay an additional or deferred sales charge. The account may be subject to ancillary charges such as margin interest or Account fees such as transfer costs are not included in the wrap fee. Client may also incur certain charges imposed by third parties other than Adaptation Financial in connection with investments made through the account, including but not limited to no-load mutual fund 12b-1 distribution fees (trail commissions), certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees.

A client could invest in a mutual fund directly, without the services of Adaptation Financial. In that case, the client would not receive the services provided by Adaptation Financial, which are designed, among other things, to assist the clients in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Adaptation Financial to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### ***Important Information Regarding Fees***

The Wrap Fee Program may cost you more or less than purchasing such services separately. This depends on the amount of trading in your account and the value of your accounts as well as the type of investments selected. Clients are encouraged to compare the costs they may incur in this Wrap Fee Program vs. a typical investment management account, as the anticipated level of trading activity will impact the costs associated with each type of arrangement.

### ***Conflict of Interest Disclosure***

Under this Wrap Fee Program, clients pay a single fee for discretionary investment management services and trade execution costs and, in certain instances, other services such as custody, recordkeeping and reporting. You do not pay separately for commissions for each trade we execute in this type of account. Instead, we incur the cost of executing securities transactions. This creates a conflict of interest because Adaptation Financial is incented to initiate fewer trades in your Wrap Program Fee Account to minimize expenses for Adaptation Financial. To manage this conflict of interest, we monitor account activity to help identify inactivity.



---

### ***Termination***

The relationship between parties may be terminated by either party upon 5 days' written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment adviser, then the client has the right to terminate the relationship, without penalty, within five (5) business days after entering into the agreement. If the relationship is terminated in the middle of a month or quarter, and client has prepaid the advisory fee, Adaptation Financial will reimburse client a percentage of the unearned prepaid fee, on a pro rata basis.

### ***Special Situations***

With respect to employee related accounts, the quarterly fees are generally less. Additionally, Adaptation Financial may charge less with respect to certain client accounts, depending upon a number of factors, including portfolio size, length of employment, and relationship to the employee.

### ***Custody***

Adaptation Financial does not hold client assets. Instead, we require all client assets be maintained in an account at a non-affiliated "qualified custodian," generally a broker-dealer. The custodian will hold your assets in a brokerage account and will be able to buy and sell securities on your behalf. For our clients' accounts that the custodian maintains, the custodian charges an asset-based fee that covers trading fees and custody services. As part of the Wrap Fee Program, Adaptation Financial has chosen to absorb these costs that would otherwise be paid by the client. Fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a certain level of assets at the custodian. We feel this commitment benefits you because we expect the overall rates for fees you pay will be lower than they might be otherwise.

For execution of securities transactions that are custodied by Pershing, LLC ("Pershing") and or National Financial Services ("NFS"), Adaptation Financial utilizes Cambridge Investment Research, Inc. ("Cambridge"). Cambridge introduce its securities clients and transactions on a fully disclosed basis through Pershing and NFS. Adaptation utilizes Pershing, NFS, Ameritrade Institutional, a division of TD Ameritrade Inc. ("TD Ameritrade") and Fidelity Institutional Wealth Services ("Fidelity") as custodians of client portfolio assets (collectively referred to collectively as "Custodians").

For Clients wishing to have their Advisory Representative implement their investment advice, in their capacities as registered representatives, their broker/dealer Cambridge will be used. Cambridge has a wide range of approved securities products for which Cambridge performs due diligence when selecting. Cambridge's registered representatives are required to adhere to these products when implementing securities transactions. The commissions earned for these products may be higher or lower than commissions earned through another broker/dealer.

---

The Custodians and Cambridge are independent and unaffiliated registered broker-dealers, and are members of FINRA, the Securities Investor Protection Corporation (“SIPC”), and the National Futures Association (“NFA”). Clients are free to select any Custodian utilized by Adaptation Financial.

***Retirement Accounts – DOL Disclosure***

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”) and/or the Internal Revenue Code (“Code”), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to collectively sometimes herein as (“Retirement Accounts”).

To ensure that Adaptation Financial will adhere to fiduciary norms and basic standards of fair dealing, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of Adaptation Financial.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

**Item 5 – Account Requirements and Types of Clients**

In order to invest in the Wrap Fee Program, a Client’s household must have assets under management totaling \$500,000, or greater. Types of clients we typically manage wrap fee accounts on behalf of include:

- Individuals
- Families

- 
- High net worth individuals
  - High net worth families
  - Pension and profit-sharing plans (other than participants)
  - Charitable organizations
  - Trusts
  - Estates
  - Private business owners
  - Public company affiliates
  - Private foundations

## **Item 6 – Portfolio Manager Selection and Evaluation**

### ***Portfolio Manager Selection***

#### ***Overview***

Our investment advisor representatives (“Advisors”) serve as portfolio managers for Wrap Fee Program clients. Our Advisors are not subject to the same selection and review as third-party portfolio managers that would participate in our Wrap Fee Program. We have chosen not to utilize third-party portfolio managers.

#### ***Related Persons Acting as Portfolio Manager***

As noted, our Advisors function as portfolio managers for the Wrap Fee Program. This creates a conflict of interest in that we are recommending that you invest in a program that we manage. To mitigate this risk, we evaluate the overall cost for our services in the Wrap Fee Program and in a standard advisory account for which clients pay separately for ticket and custodial fees. Based on this analysis, we would then make a recommendation as to which account would be appropriate for an advisory client. There is no difference between how we manage assets in our Wrap Fee Program and those assets in a non-wrap advisory program.

### ***Performance Based Fees and Side by Side Management***

Adaptation Financial does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), nor does it engage in side-by-side management.

### ***Methods of Analysis, Investment Strategies, and Risk of Loss***

#### ***Analysis Methods***

Security analysis methods utilized by Adaptation Financial include the following:

---

### **Charting**

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the timeframe of the price charts.

### **Fundamental**

Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

### **Technical**

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

### **Cyclical**

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low and sell them when the P/E Ratio is high (i.e. when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

### **Sources of Information**

Some of the sources of information that Adaptation Financial uses to analyze these investment strategies are newspapers, magazines, newsletters, and news services to evaluate the economic environment and the prospects for specific securities including mutual funds. In addition, Adaptation Financial also relies upon outside consultants to provide evaluations of specific securities and the prospects of various sectors of the economy. In some cases, Adaptation Financial may visit the corporate headquarters of investment sponsors, or the sites of investment projects to refine its understanding of sponsors, investments, and the investment environment. Additionally, Adaptation Financial may obtain information from websites.

---

### ***Investment Strategies***

The investment strategies Adaptation Financial uses to implement any investment advice given to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Option writing, including covered options, uncovered options or spreading strategies

### ***Investment Strategy Risks***

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind. Investors face the following investment risks:

#### **General Risks**

***Lack of Diversification:*** Portfolio investments may be concentrated, and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

***Cash and Cash Equivalents:*** Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

***Interest Rate Fluctuation:*** The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

#### **Long term Purchases (securities held at least a year)**

***Liquidity:*** The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

#### **Short term purchases (securities sold within a year)**

***Market Risks:*** The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these

---

price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

**Trading (securities sold within 30 days)**

**Market Risks:** The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons, including other market participants developing similar programs or techniques.

**Trading is Speculative:** There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

**Turnover:** Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

**Utilization of Alternative Investments**

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

Investing in securities involves risk of loss that clients should be prepared to bear. Such risks include market risk, interest rate risk, currency risk, and political risk, and loss of capital, among others. Additionally, certain trading strategies can affect investment performance through increased brokerage and other transactions. Each client's propensity for risk however is thoroughly evaluated, documented, and considered throughout the portfolio implementation process.

---

Although Adaptation Financial intends to manage risk through the careful selection of investments, no investment strategy can assure a profit or avoid a loss.

***Voting Client Securities***

As a matter of our policy and practice, Adaptation Financial does not have any authority to, and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

**Item 7 – Client Information Provided to Portfolio Managers**

Initially Adaptation Financial will consult with prospective clients to determine their financial position, investment goals and objectives (e.g., risk tolerance and time horizon), investment limitations, reasonable investment restrictions and risk tolerance (collectively “Client Profile”). The Client Profile is used to help determine the clients’ investment needs. At least annually, Adaptation Financial will contact clients to determine whether they have had any changes to their Client Profile. Should changes occur to a Client’s Profile before the annual conference call or meeting, it is the client’s responsibility to contact Adaptation Financial as soon as possible.

**Item 8 – Client Contact with Portfolio Managers**

There are no restrictions placed on Adaptation Financials clients’ ability to contact and consult with their Advisor, who functions as their portfolio manager. Each portfolio manager will be reasonably available to you for joint consultation along, regarding your financial situation and objectives, and the management by the respective portfolio manager of your investment portfolio.

Client should communicate any changes in investment objectives and restrictions as well as changes in financial condition to your Adaptation Financial portfolio manager.

**Item 9 – Additional Information**

***Disciplinary***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Adaptation Financial or the integrity of Adaptation Financials management. Adaptation Financial has no information which is applicable to this Item.

***Other Financial Industry Activities and Affiliations***

***Insurance Agent***

Advisors of Adaptation Financial are licensed insurance agents and appointed by various insurance companies to offer their products. If you purchase insurance products through our

---

investment advisor representative acting in his or her capacity as an insurance agent, they will receive normal commissions which will be in addition to customary advisory fees. Clients are under no obligation to act upon any recommendations or purchase any insurance products through our investment advisor representatives. Insurance products that generate a commission are not included in assets under management by Adaptation Financial.

***MDK Financial Group, Inc.***

Adaptation Financial is the sole shareholder of MDK Financial Group, Inc. (“MDK”), an affiliated, SEC-registered investment adviser. Adaptation Financial and MDK do not share Supervised Persons or share office space, and as such, MDK operates as an independent investment adviser.

***Registered Representative of a Broker-Dealer***

Some Advisors of Adaptation Financial are associated with Cambridge as Registered Representatives. Cambridge is a broker-dealer engaged in the offer and sale of securities products. Our Advisors may recommend the purchase of securities offered by Cambridge. If you purchase these products through them, they will receive normal commissions, which may be in addition to customary advisory fees. As such, they may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Although our Advisors’ security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives they have to sell certain securities products and are encouraged to ask them about any conflict presented.

***Code of Ethics***

Adaptation Financial has adopted a Code of Ethics that applies to all of our supervised persons, describing our high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Adaptation Financial must acknowledge the terms of the Code of Ethics annually, or as amended.

Subject to satisfying this policy and applicable laws, officers, directors, and employees of Adaptation Financial and its affiliates are allowed to trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Adaptation Financial will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with



---

the best interest of our clients. In addition, the Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Adaptation Financial and its clients.

### ***Personal Trading***

Adaptation Financial and our related persons are allowed to purchase and sell securities for their own account. To prevent conflicts of interest, all employees of Adaptation Financial must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.,

Certain affiliated accounts are allowed to trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Adaptation financials clients or prospective clients may request a copy of our Code of Ethics by contacting Alan P. Niemann or Mitch Robinson.

### ***Review of Accounts***

Accounts are generally reviewed no less than quarterly and compare each investment on a transaction basis to insure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

### ***Reports***

Clients will receive reports at least quarterly from the Custodian of their accounts. This quarterly report will show beginning and ending value and all transactions executed during the time period as well as deposits and withdrawals from the Account. You are encouraged to compare any reports or statements provided by us, or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### ***Client Referrals and Other Compensation***

Adaptation Financial does not compensate any outside parties for client referrals, nor do we receive any compensation or non-cash economic benefit for client referrals.

---

Adaptation does however receive economic benefits from our custodian in the form of the support products and services that are made available to us and to other independent investment advisors. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 of Form ADV Part 2A Brochure.

***Discretion***

Discretionary assets are the assets with which we have the authority to determine whether to buy or sell securities. This authority is called a trading authorization. Non-discretionary assets are assets in accounts that we provide recommendations on, as to the purchase or sale of specific securities. We do not place orders to buy or sell non-discretionary assets without first receiving your authorization. *(See Form ADV Part 2A Brochure, Item 16 for more detail)*

***Financial Information***

We are required to provide you with certain financial information or disclosures about financial condition which would impede our ability to provide the advisory services described herein. Adaptation Financial has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

**Item 10– Requirements for State-Registered Advisers**

Adaptation Financial has no additional information which is applicable to this item.